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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 08/03/06

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, August 2

NIHON KEIZAI (Page 2) (Full)  
August 3, 2006

08:00  
Left his official residence.

09:18  
Toured the Misaki fish market in Kanagawa Prefecture.

09:57  
Toured the Misaki vegetable shipment center.

10:27  
Toured the Kanagawa Fisheries Technology Institute. Afterwards, met institute director Imai in the presence of MAFF Vice Minister Kobayashi.

11:54  
  
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Had lunch with Misaki Mayor Yoshida, city assemblyman Tsuchida, and others.

12:40  
Toured the Misaki Fisherina Wharf, a tourist spot.

14:06  
Inspected a greenery road project in Yokosuka.

14:43  
Returned to his private residence.

15:12  
Left his private residence.

16:30  
Met at Kantei with Deputy Chief Cabinet Secretary Futahashi, followed by Cabinet Intelligence Director Mitani.

18:13  
Returned to his official residence.

4) MSDF petty officer 1st class takes home internal data; Received punishment for trips to Shanghai without authorization

SANKEI (Page 3) (Abridged slightly)  
August 3, 2006

It became clear yesterday that a 45-year-old Maritime Self-Defense Force petty officer first class stationed at the Kamitsushima Guard Post has received a verbal warning for taking copied SDF materials out of the office. The petty officer has repeatedly traveled to Shanghai to see a Chinese woman without authorization. The Nagasaki Prefectural Police have begun an investigation suspecting that the officer might have leaked intelligence to China.

The woman is known to have worked at a karaoke bar frequented by a staffer of the local Japanese Consulate General who killed himself in May 2004 after leaving a memo saying he was forced to provide the Chinese authorities with some information he had access to at the consulate.

According to the Maritime Staff Office, another officer warned the petty officer this February as he tried to copy "identification reference materials" containing photos of foreign submarines and vessels to a CD. A whistle-blower subsequently told the guard post chief that the petty officer was copying internal materials and had been going to China without authorization. This led to an investigation by the Sasebo District Headquarters.

Officers from the Sasebo headquarters searched the petty officer's room in a dormitory and found a CD containing identification reference materials that require "caution" in handling, which is

lower in confidentiality than "top secret," "secret," and "confidential." Taking such materials out of the office does not constitute a violation of the SDF Law.

The petty officer made a total of eight trips to Shanghai between January last year and March this year without authorization and sent 3.5 million yen to the Chinese woman.

The MSDF has continued its investigation by posting the officer to  
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the Sasebo District Headquarters' administration department in April this year. On June 13, the MSDF gave him a verbal warning for copying materials without authorization and on July 4 a 10-day suspension for making overseas trips without authorization. The MSDF had made public the suspension but not the oral warning.

When the petty officer copied materials in February this year, he asked another officer about how to do so. For this reason, the MSDF believes that he has not taken copied materials out of the country as there is no evidence suggesting that he made copies before then.

5) Nukaga: Not a serious problem

SANKEI (Page 3) (Full)  
August 3, 2006

Touching on an MSDF data-copying incident, Defense Agency Director-General Fukushima Nukaga said last night:

"It's not a serious problem. To begin with, he (petty officer first class) was not in a position that had access to (top secrets). I don't think it will escalate into a serious problem."

Nukaga made this comment in his conversation with reporters on Chichijima in the Bonin Islands.

Meanwhile, Chief Cabinet Secretary Shinzo Abe told a press conference yesterday:

"A leakage of intelligence handled by the Defense Agency could seriously affect national defense. The agency must do its utmost to protect its intelligence."

6) Defense Agency report: No intelligence leaked by MSDF official

ASAHI (Page 4) (Full)  
August 3, 2006

In regard to the fact that a Maritime Self-Defense Force petty officer first class took internal data home in violation of internal regulations and that he repeatedly traveled to China without reporting the trips to his superiors, Defense Agency Defense Policy Bureau Director-General Kazuo Ofuru yesterday reported to the Prime Minister's Official Residence, including Chief Cabinet Secretary Shinzo Abe, that the copied materials did not contain any confidential data and that he did not leak any intelligence to

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China.

Receiving the report, a senior government official said yesterday: "There is no evidence that (the petty officer first class) came in contact with Chinese officials. He was not in a position that had access to confidential materials." The government official ordered the Defense Agency to review how it conducts investigations and makes reports.

7) Abe: DU shells in Okinawa stored safely

MAINICHI (Page 2) (Full)  
August 3, 2006

Touching on the fact that 400,000 depleted uranium shells were stored at US Kadena Air Base in Okinawa, Chief Cabinet Secretary

Shinzo Abe said in a press conference yesterday:

"The government has asked the United States to be extremely careful in keeping DU shells. We understand that the US has made every effort to store them safely."

8) Japanese government notifies Seoul of planned maritime survey in waters near disputed islets

SANKEI (Page 3) (Full)  
August 3, 2006

The government will attempt to measure radioactive waste levels in waters near the Takeshima (Dokdo) islets as early as late this month, several government sources revealed yesterday. The Japan Coast Guard has conducted research every year since 1994 to examine the effects of radioactive waste dumped by the former Soviet Union in waters near Vladivostok.

Although the government did not inform Seoul about its survey plans in the past, it did do so in advance in line with its earlier proposal that the two sides give each other advance notice before conducting marine surveys near the islets, in addition to the resumption in June of talks on the demarcation of the boundaries of their exclusive economic zones (EEZs) in the Sea of Japan. Tokyo informed Seoul of its plan through diplomatic channels. Seoul is reportedly displeased.

The Takeshima islets, which are Japanese territory, are claimed by South Korea, and the EEZs claimed by the two countries overlap. In April this year when the Japan Coast Guard planned marine research around the Takeshima islets to draw a sea-floor map, South Korea deployed naval ships, drawing strong protest.

The two countries were able to avert a confrontation in a vice ministerial meeting in Seoul. On July 5, South Korea conducted, however, a maritime survey in the Japan-claimed EEZ around the islets.

9) Seoul demands Japan cross out Defense White Paper's wording on territory

NIHON KEIZAI (Page 2) (Full)  
August 3, 2006

SEOUL-The South Korean National Defense Ministry revealed yesterday that the ministry called in a defense attach from the Japanese Embassy in Seoul on Aug. 1 to express regret over the 2006 version of Japan's Defense White Paper, which described Takeshima-a group of disputed islets called Dokdo in South Korea-as "part of Japan's inherent territory." The ministry called for Japan to cross out the description.

10) Japan, Australia to work together on North Korea

NIHON KEIZAI (Page 2) (Full)  
August 3, 2006

Foreign Minister Taro Aso met with visiting Australian Foreign Minister Downer yesterday at the Foreign Ministry's Iikura Guesthouse in Tokyo. In the meeting, Aso and Downer agreed on the need for the international community to cooperate and work on North

Korea to accept the United Nations Security Council's resolution condemning its recent missile launches. They also confirmed that Japan, the United States, and Australia would hold a strategic dialogue at an early date.

11) Iran's vice president in meeting with Foreign Minister Aso stresses Iran will continue nuclear development

YOMIURI (Page 4) (Full)

August 3, 2006

Foreign Minister Taro Aso met yesterday with visiting Iranian Vice President Mashaee. In the meeting, the Iranian vice president underscored that his country would continue its nuclear development, stating: "Iran will never give up its right to use nuclear energy for peaceful purposes. This is our people's consensus." In response to this, Aso urged Mashaee to quickly respond to a comprehensive proposal calling on Iran to suspend its uranium enrichment program.

12) "I visit Yasukuni Shrine every year," prime minister says in email magazine; A visit on August 15?

ASAHI (Page 2) (Excerpt)  
August 3, 2006

Prime Minister Koizumi will today send the Koizumi cabinet's email magazine carrying a message titled "consolation of the souls of the war dead." In the message, Koizumi notes, "I have visited Yasukuni Shrine once a year since I took office as prime minister in order to offer my sincere condolences to those who lost their lives against their will in the war." He also says, "These are my thoughts." With all eyes focused on whether the prime minister will visit the shrine on August 15, the anniversary of the end of World War II, some may regard the message as part of an effort to pave the way for his visit to the shrine on that day.

13) Unenshrinement of Class-A criminals from Yasukuni Shrine

ASAHI (Page 2) (Excerpt)  
August 3, 2006

The chairman and vice chairman of the Japan War-Bereaved Association (chaired by former Liberal Democratic Party Secretary General Makoto Koga) yesterday met at the LDP Headquarters and decided to put off discussions on the separate enshrinement of Class-A war criminals honored at Yasukuni Shrine until after late September when the LDP presidential election is over. They reached this decision out of concern that starting discussion on the issue before the presidential election could incur criticism that they are using the Yasukuni issue for partisan advantage. They also judged that they should not go any further into the separate enshrinement issue, over which the views of members of the Association are divided, around the anniversary of the end of World War II.

14) Joint Japan-China survey: 30% of Chinese respondents say have no problem with visits to Yasukuni Shrine by Japanese politicians if war criminals are unenshrined; 50% opposed under any circumstances

ASAHI (Page 4) (Full)  
August 3, 2006

The Japanese group called "Media NPO" composed of like-minded

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persons from business and academic circles and Beijing University yesterday released the results of their joint survey conducted in Japan and China. In China, some 51% of respondents said that they were opposed to visits to Yasukuni Shrine by Japanese politicians under any circumstances, while 30% said that Japanese politicians should be able to visit if war criminals are unenshrined.

Beijing University conducted the survey this spring in five cities, including Beijing and Shanghai, and 1,613 persons responded. The Japanese side's survey was conducted around the same time, and 1,000 answered the questions.

The question about Yasukuni did not refer to the separate enshrinement of war criminals. The survey has found that although Chinese people strongly oppose visits to the shrine by Japanese politicians, they have a certain level of understanding for them if the Class-A war criminals are unenshrined.

Some 40% of Chinese respondents said that the Chinese government should oppose Japan's bid for a permanent United Nations Security Council seat, while 35% supported or conditionally supported it.

Asked about the present Japan-China relationship, 41% of Chinese respondents and 69% of Japanese pollees said, "The relationship is not good." On the question of which side is responsible for the strained bilateral relations, 35% of Japanese respondents said, "China" and 15% said "Japan," while 98% of Chinese respondents said, "Japan." It is clear there is a big gap in the two countries' people's views.

Some 77% of the Chinese said that it is important to hold summit meetings by top Japanese and Chinese leaders.

Asked which country they felt a military threat from, 43% of the Japanese said "China," following North Korea (72% ), citing China's possession of nuclear weapons, its military buildup, and its incursions into Japanese territorial waters.

15) Consumer organization submits letter of opinion on resumption of US beef

MAINICHI (Page 3) (Full)  
August 3, 2006

The National Liaison Committee of Consumers' Organizations yesterday submitted a letter of opinion on the resumption of US beef imports each to Health, Labor and Welfare Minister Jiro Kawasaki and Agriculture, Forestry and Fisheries Minister Shoichi Nakagawa. The letter criticized the government decision to import US beef before conveying the results of prior inspections of US meat packers by Japanese experts as extremely regrettable. It also sought an immediate and total ban on imports in the event of a recurrence of a violation of import conditions.

16) Financial Services Agency plans to limit cash remittances using ATMs to 100,000 yen at a time starting early next year; Aim is to prevent money laundering; Current limit is 2 million yen

ASAHI (Top Play) (Lead para.)  
August 3, 2006

The limit on cash remittances using automatic teller machines (ATM)

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at banks will be lowered from the current 2 million yen per occasion to 100,000 yen starting in January next year. The change is in response to the Financial Services Agency's decision to adopt stricter customer identification guidelines. The remittance of money at ATMs using cash cards will be not be subject to this change. However, under the new guidelines, it will not be possible to transfer more than 100,000 yen at a time using an ATM. Tellers will handle such transfers. The aim is to prevent illegal money laundering. Customers will likely be inconvenienced.

SCHIEFFER